



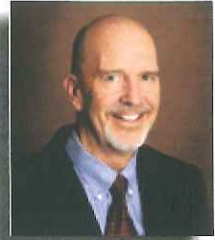
Legislator's Guide to Special Districts



produced by the
Special District Association of Colorado
225 East 16th Avenue, Suite 1000
Denver, Colorado 80203
303-863-1733
www.sdaco.org

The Special District Association

Members
Colorado General Assembly
Colorado State Capitol
Denver, Colorado 80203



SDA President Pat Mulhern

Dear Colorado Legislators:

On behalf of the Special District Association of Colorado, it is my pleasure to present you with this brief description of special districts in Colorado.

I hope it will be a valuable resource when you need information about special districts, either in your consideration of legislative proposals, or in answering constituent inquiries.

Special districts, as units of local government, fill a vital role in providing fire and rescue services, water and wastewater treatment and delivery, parks and recreation amenities, hospitals, libraries and cemeteries, in many of the communities within Colorado. There are currently 2,521 such districts, of which 1,379 are members of the Special District Association.

The Special District Association of Colorado (SDA) was organized to provide better communication, research, legislative input, administrative support and educational conferences for Member Districts. SDA exists to help special districts serve the public in the most efficient and economical manner possible. Member Districts are united to coordinate their interests and welfare through a cooperative effort and to help special district officials fulfill their duties and responsibilities.

SDA has become increasingly important as the membership has grown and the operation of special districts has become more complex. SDA is an effective lobbying and educational organization that strives to serve the needs of special districts.

If you need more information, please contact SDA Executive Director Ann Terry at (303) 863-1733.

Best wishes in your exciting role in the Colorado General Assembly. We are ready to help in any way possible.

Patrick F. Mulhern
SDA Board President



LEGISLATORS GUIDE TO SPECIAL DISTRICTS

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Overview of Special Districts

Special Districts date back to the early mining camps in Colorado. As the camps grew, the residents sought mechanisms to join together to provide certain essential services such as fire protection and sewer service. Special districts of one form or another have been utilized since that time.

Colorado special districts have been instrumental in providing public infrastructure to meet the growing needs of the state's population in the face of increasing demands on cities and counties to keep up with the ever-increasing needs for urban services.

Although special districts already existed, the legal structure was recognized by an authorizing act of the Colorado General Assembly in 1949 recognizing special districts as a form of local government created to provide certain municipal-type services in unincorporated or rural areas of the state. The General Assembly declared that special local government service districts could be created to provide necessary and desired services within designated boundaries.

In 1981, the General Assembly recodified all the statutory provisions relating to various types of special districts in what is referred to as the Special District Act. The Special District Act constitutes article 1 of Title 32 of the Colorado Revised Statutes, which is the general source of most of the statutory authorization, as well as limitations, upon the formation and operation of special districts.

Special districts organized pursuant to Title 32 are quasi-municipal corporations and political subdivisions of the state of Colorado organized for specific functions. As such, their activities are subject to strict statutory guidelines.

TYPES OF DISTRICTS

Colorado statute authorizes the formation of numerous different types of districts.

The services which a district is authorized to provide, the procedure to form the district, the district's funding sources, and the district's governing body are all determined by the statutory provisions pertaining to the type of district involved.

Title 32, Article 1 Special Districts

The Special District Act (Title 32, article 1, C.R.S.) contains the legal framework for many types of special districts, including:

- Ambulance Districts
- Fire Protection Districts (may also provide ambulance and emergency medical and rescue services)
- Health Service Districts
- Metropolitan Districts
- Park and Recreation Districts
- Sanitation Districts
- Water Districts
- Water and Sanitation Districts
- Health Assurance Districts
- Mental Health Care Service Districts
- Tunnel Districts
- Forest Improvement Districts

Other common types of districts which are not governed by the Special District Act include:

- Business Improvement Districts ¹
- Cemetery Districts ²
- Conservation Districts ³ (soil)
- Downtown Development Authorities ⁴
- Irrigation Districts ⁵
- Library Districts ⁶
- Local Improvement Districts ⁷
- Pest Control Districts ⁸
- Public Improvement Districts ⁹
- Special Improvement Districts ¹⁰
- Water Conservancy Districts ¹¹
- Water Conservation Districts ¹²

People often confuse these other types of districts with the special districts that are created pursuant to the Special District Act. For example, Special Improvement Districts are formed by municipalities and Local Improvement Districts are formed by counties, usually to provide a particular amenity (e.g., sidewalks or curbs and gutters) in a localized area, and then the costs of the improvements are assessed directly against the benefitted property owners. The Board of County Commissioners or the City/Town Council serves as the governing body of the improvement district, and the district dissolves as soon as any debt issued by the county or municipality on behalf of the district is paid off. These types of improvement districts do not have the political autonomy or ongoing existence that a Title 32 special district has.

Business improvement districts, downtown development authorities, and urban renewal authorities are formed as adjunct entities by municipalities. Cemetery districts, library districts, pest control districts, and weed control districts are formed by counties. Irrigation districts, water conservancy districts, and water conservation districts are formed and governed by landowners. All of these types of districts are governed by specific statutes and procedures distinct from the Special District Act.

Title 31, article 25, part 12, C.R.S.

Title 30, article 20, part 8, C.R.S.

Title 35, article 70, part 1, C.R.S.

Title 31, article 25, part 8, C.R.S.

Title 37, article 41, C.R.S.

Title 24, article 90, part 1, C.R.S.

Title 30, article 20, part 6, C.R.S.

Title 35, article 5, C.R.S.

Title 30, article 20, part 5, C.R.S.

Title 31, article 25, part 5, C.R.S.

Title 37, article 45, C.R.S.

Title 37, articles 46-48 and 50, C.R.S.

Formation and Governance of a Title 32 Special District

Service Plan Approval

The formation of a special district begins with the development of a service plan. The service plan includes:

- A description of the area to be included within the proposed district. A special district does not need to conform to city or county boundaries. Its boundaries can be drawn to include the area to be developed, served, or which covers a community of interest. It can serve less than a full county or city, or it can overlap a city and county, or more than one city or county.
- A description of the proposed facilities and services to be provided.
- A financial plan including estimated costs of facilities and proposed indebtedness.
- Engineering and architectural information regarding facilities and services, and a description of any intergovernmental agreements by which the district's purposes are to be implemented.

The Service Plan must be submitted for approval by the Board of County Commissioners (BOCC) of each county within which any portion of the district is located, and the City Council of each municipality within which any portion is located.

The BOCC or city council(s) must provide public notice, and hold a public hearing concerning the approval of any service plan.

Following the public hearing, the BOCC or city council(s) can vote to approve the service plan, to request amendments or clarifications to the service plan, or to deny approval of the service plan. The approving entity can require whatever level of detail they wish to be included in the service plan.

District Court Approval

Once the service plan is approved, a petition is filed with the district court in the county in which the district is located. The petition must be signed by not less than thirty percent (30%) or two hundred (200) of the taxpaying electors of the district, whichever is smaller. The petition must include information describing the type of district (e.g., water and sanitation district, fire protection district, metropolitan district, etc.), descriptions of the facilities and services to be provided, estimated costs of the facilities, estimated property taxes to be collected in the first year, and a request for the organization of the district.

The court will review the petition and the service plan for legal sufficiency, and will notice and hold a public hearing on the petition. Those who wish to have their property excluded from the district may request exclusion by the court.

If the court finds that the petition is in compliance with applicable statutes, it orders the question of the organization of the district to be presented to the residents and property owners within the proposed district boundaries for a vote.

Organizational Election

The organizational election includes organization of the district and selection of the initial board of directors of the district. The organizational election may also include authorization of a property tax mill levy and the authorization of bonds. Any election that includes tax or bond authorization must be conducted in conformity with the TABOR Amendment.

If the election passes, the Court will certify the election and issue an order declaring the district be organized as a separate political subdivision of the state.

Governing Body and Procedures

Once formed, a special district is governed by an elected board of directors, in whom rests the authority to manage, control, and supervise all the business and affairs of the special district. The board is comprised of either five or seven members, most typically five. The special district board has autonomous authority for governing the district within the scope of the district's powers, just as the city council has for the governance of a municipality.

The original board members are elected to staggered four-year terms, so that either two or three members of the board come up for election every two years. Special district board elections are held, by statute, on the first Tuesday after the first Monday of May in every even-numbered year.

Special district directors are subject to term limits, and may not serve more than two consecutive four-year terms, unless the voters in the district have voted to lengthen or eliminate term limits for the district.

Special districts are subject to the same requirements as other local governments regarding open records, open meetings, conflicts of interest and other ethical requirements. Each district is subject to Colorado's Local Government Budget Law and Local Government Audit Law, setting forth the requirements of budgeting, accounting and reporting. The district must hold a public hearing before adopting its annual budget, and a copy of the budget must be filed with the Division of Local Government.

Each district is required to have a certified public audit on an annual basis. The audit is to be filed with the State Auditor's Office, the BOCC of the county having jurisdiction over the district's service plan, and a copy on file for access by the public.

Powers Retained by Cities and Counties

Even though a special district may be created to provide the financing mechanism for public infrastructure and services, special districts do not have any "land use" powers, such as planning, zoning, or subdivision approval. This leaves the key land use decisions with the city or county, which can assure that the developments are consistent with land use plans.

Election Dates

Regular special district board elections are held on the Tuesday following the first Monday of May in even-numbered years. Special district elections are conducted pursuant to the Uniform Election Code. The regular special district biennial election may be cancelled if there are no more candidates than board seats available.

All tax and debt issues of special districts are subject to the election provisions of the TABOR Amendment, and thus may only be held on the November general election date, the November off-year election date, or the district's biennial board election date, as allowed by TABOR. Except for ballot issue elections (mill levy or debt authorization) which are held as part of a district's organizational election, every ballot issue election must be conducted either as part of a coordinated election or in accordance with the Mail Ballot Election Act.

Qualifications to Vote

An "eligible elector" for purposes of a special district election is a person who is a registered elector in Colorado, and who either (i) resides within the district, or (ii) owns (or whose spouse owns) taxable real or personal property within the district.

Candidates for special district directors must be eligible electors of the district. One of the most difficult aspects of special district elections is finding qualified individuals who are willing to run for the boards. Serving on a sewer district board, for instance, is not always considered to be a glamorous entry into a political career.

Growth of Special Districts

Special districts have proven to be increasingly popular tools in providing services to identified geographic areas. In 1995, there were 875 Title 32 special districts. Today there are approximately 1,957 such districts. Nearly all of this phenomenal growth in recent years is accounted for by the formation of new metropolitan districts.

Metropolitan (metro) Districts

A metro district is a type of special district that provides at least two different types of services. Therefore, instead of forming a district for each separate function, a metropolitan district is formed which can provide all the necessary services. For example, the East Valley Metropolitan District provides water, wastewater, and trash collection services.

There have been over 100 new Metropolitan districts formed in each of the past three years. In the years between 2000 and 2004, the number of metro districts in the seven-county Denver metropolitan areas more than doubled, growing from 190 to 390. Statewide, the number of metro districts increased from 294-653 during the same time period. As of January 2013, this number has grown to 1,314 metro districts.

This growth mirrors Colorado's rapid population growth and increased home building within the past decade.

Reasons for organizing a Title 32 Special District

- (1) A special district provides needed infrastructure and services to a specific area, with the cost being borne by the property owners and residents of the area, rather than spread over the entire area of the general purpose government (city or county), as would be required if the city or county provides the infrastructure or service in the area.
- (2) Services can be provided to growing areas without impacting the budget or reserves of the city or county.
- (3) There may be no other viable alternative for providing and operating the necessary public facilities, due to remoteness or isolation of location.
- (4) A special district provides a way of financing the infrastructure up front, with the costs being repaid as development occurs and property value increase.
- (5) The district is able to finance infrastructure and public facilities through the use of tax-exempt municipal bonds.
- (6) The structure of a Title 32 special district provides greater flexibility and autonomy than would a local assessment district, such as a municipal special improvement district or a county local improvement district.

Broadening the Scope of Special Districts

Builders and developers have not been the only ones to discover the merits of special districts. During the past three years, special interest groups representing a variety of constituencies have brought forth legislative proposals to add new powers for special districts, including new types of special districts. These have included such things as health assurance districts, mental health care districts, transportation districts, and forest rehabilitation and management districts. Interest has also been expressed in broadening special district powers to include animal control, security services, and water brokering.

Why Now?

Population is growing so dramatically in many areas of Colorado that the city and country resources are being stretched, and cities and counties are working with special districts as a means of installing the infrastructure to support the growth. For many years, cities and counties were suspicious of special districts, feeling that special districts fragmented service delivery and allowed for uncontrolled growth beyond the reach of a city's land use planning controls.

Now, partially due to TABOR restrictions, and the realization that the city or county still holds the cards in land use decisions, they are becoming much more willing to work with special districts. In rapidly growing areas, many cities are forming relationships with developers and the special districts that are being formed. Cities and counties are becoming more aggressive, but also more realistic in adopting development standards for special districts that mesh with the standards of the city or county.

The Wave of the Future

In the E-470 Corridor of Adams and Arapahoe Counties, city and county land use approvals have already been given for developments that will total in excess of 50,000 new homes at build-out, and nearly all will be served by metro districts that have been, or are being, formed in this wave of district formation.

Even more startling is the realization that this is just the beginning. Population forecasts provided by the Demography Office of the Division of Local Government point to staggering population growth in the next thirty years. Total population statewide in 2005 was 4,722,460 (more or less), and is projected to grow to 6,787,307 by 2025, and to 7,798,000 in 2035. This increase of over 3.1 million people represents the need for approximately 1,228,000 additional dwelling units during that time.

Weld County has been tabbed as one of the fastest growing counties in the United States. In 2005, the population of Weld County was 228,729. By 2025, it is projected to grow to 419,741, and to 551,288 by 2035. At a generous estimate of one dwelling unit per 2.5 people, this indicates the need for an additional 220,500 new homes in Weld County.

Adams and Arapahoe Counties will see similar growth. Douglas County, which has already gone through an explosion of epic proportions, will likely double by 2035, bringing the need for an additional 108,000 new homes.

Mesa County is projected to grow from 130,000 to nearly 250,000 by 2035, necessitating an additional 48,000 homes. This projection, however, was made before the advent of the current explosion of oil and natural gas drilling, which if sustained could dramatically increase this projection.

Growth Without Straining the Infrastructure

Much of the future development will occur within cities, either as infill, or as cities annex property and provide the service infrastructure to support the development. There may be some new municipal incorporations, and existing cities will reap major population growth. Even so, it is likely that the metro district model, either in unincorporated areas, or as adjuncts to city facilities within cities, will be a continuing model of growth, both in number and in size.

As a means of financing, metro districts have unique advantages, and are proving to be remarkably advantageous to developers, and the savings reaped through tax-exempt financing and stretching out infrastructure costs, result in dramatic cost savings and benefits to homebuyers and property owners.

**Number of Active Special Districts
(by type): 2000-2012**

<u>Type of District</u>	<u>2000</u>	<u>2010</u>	<u>2011</u>	<u>*2012</u>
Ambulance Districts	9	11	11	11
Fire Protection Districts	241	254	255	255
Health Service (Hospital) Districts	33	37	37	37
Metropolitan Districts	294	1242	1295	1314
Park and Recreation Districts	46	56	55	55
Sanitation Districts	79	72	71	70
Water Districts	75	81	81	80
Water and Sanitation Districts	123	127	124	124
Health Assurance Districts	First authorized in 2001	0	0	0
Mental Health Care Service Districts		0	0	0
Forest Improvement Districts		0	0	0

Other common types of districts authorized elsewhere than Title 32

Other common types of districts authorized elsewhere than Title 32

<u>Type of District</u>	<u>2000</u>	<u>2010</u>	<u>2011</u>	<u>*2012</u>
Business Improvement Districts	20	40	40	43
Cemetery Districts	2	81	81	81
Conservation Districts (soil)	16	62	76	76
Downtown Development Authorities	4	11	12	12
Irrigation Districts (irrigation drainage)	2	16	16	16
Library Districts	16	54	54	54
Local Improvement Districts	31	54	57	56
Pest Control Districts	7	17	17	17
Public Improvement Districts	48	55	65	71
Special Improvement Districts	33	45	47	47
Urban Renewal Authorities	11	49	49	50
Water Conservancy Districts	43	52	58	52

*Pursuant to DOLA website

**Districts Eligible for SDA Membership as set forth in Section 3.01
of the SDA Bylaws**

	Statutory Authority	Type of District
1.	Title 32 (all articles);	Ambulance, fire protection forest improvement, health assurance, health service, mental health care service metropolitan, park and recreation, sanitation, tunnel, water and sanitation, and water districts as well as the special statutory districts including, but not limited to, RTD, SCFD, and the Football and Base Ball Stadium District
2.	Title 24, article 90	Libraries
3.	Title 30, article 20, part 8	County Cemetery Districts
4.	Title 31, article 25, part 1	Urban Renewal Authorities
5.	Title 31, article 25, part 8	Downtown Development Authorities
6.	Title 31, article 25, part 12	Business Improvement Districts
7.	Title 35, article 70	Conservation Districts (soil conservation)
8.	Title 37, articles 1-8	Conservancy Districts (flood control)
9.	Title 37, articles 20-33	Drainage Districts
10.	Title 37, articles 40-48	Water Conservation Districts, Water Conservancy Districts, Irrigation Districts
11.	Title 37, article 90	Ground Water Management Districts
12.	Title 29, article 1, part 2	Inter Governmental Entities (IGA), provided at least one Special District is included in the IGA
13.	Title 35, article 5, part 1	County Pest Control Districts

SDA Board of Directors

An eleven-member Board of Directors elected by Member Districts governs the Association, establishes Association policy and provides direction to the SDA staff. All Board Members of the Association must also be on the Board of a special district, and not more than two SDA Board Members may be from any one type of district. Furthermore, at least one SDA Director must come from each of the five geographical areas of Colorado.

Patrick F. Mulhern
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South Metro Fire Rescue Authority

John McCaulley
Vice President
Eagle River Fire Protection District

James Kullhem
Treasurer
West Metro Fire Protection District

John B. Warnick
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Vicki Spencer
Gunnison County Library District

Jim Whitfield
Apex Park & Recreation District

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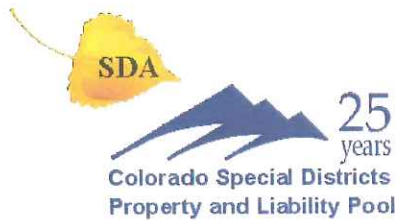
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The Special District Association of Colorado (SDA) was formed in 1975 to serve the interests of special districts and their constituents. SDA's mission is to provide services to preserve and enhance the legal and political environment for the existence and successful operation of special districts.

At the time of SDA's formation, insurance coverage for this distinct form of local government was nonexistent. Insurance companies held the view that public entities were not an insurable risk – many districts could not get coverage and/or could not afford the high premiums.

Without insurance, the residents who formed special districts would be unprotected against liability and property losses and that was a primary concern for the SDA Board of Directors, which led to the formation of The Colorado Special Districts Property and Liability Pool (the Pool) in 1988.

Unlike standard insurance companies, the Pool is an organization whose only purpose is to provide high quality services to Colorado special districts. Pool Members are not just purchasing insurance, they are investing in a long-term strategy to control and reduce future insurance expense.

The Pool currently serves over 1100 special districts by tailoring coverage and providing “one-stop shopping”. The Pool Board and the Pool staff, of which SDA staff is part, believe that training and education as well as the Pool's competitive rate structure, broad coverage forms, abundance of programs and enhanced services provide a great benefit to special districts in Colorado.

2013 Colorado Special Districts Property and Liability Pool Board of Directors

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Larry Moore
Roxborough Water and Sanitation District

James Heckman
Fountain Sanitation District

Bill to Increase Transparency of Special Districts

The Special District Association has developed legislation to increase transparency to homebuyers and residents of special districts. A bill is being introduced by Representative Ed Vigil, D-Alamosa, to add two significant steps in helping district residents and property owners to be more able to recognize their special districts, and know more about their operations. This bill includes two requirements, both of which are currently being followed as "best practices" by a number of districts.

A. Rate setting for water and sewer services

For a district that provides water and/or sewer services, setting or increasing rates, fees and charges for these services would only be allowed at or after a public meeting, which must be noticed in the same ways in which the Transparency Notices are made available to the residents and property owners, including web site, direct mail, newsletters, or billing inserts. Customers for these services who are outside the district boundaries would receive notice in the same way. The bill makes clear that setting these rates is a legislative function of the board, and that the bill does not convey any voting rights or rights of participation more than is available to members of the public. It is for information only.

B. Districts to file an information statement as a title document

The second part of the bill requires all special districts to file a statement that includes basic information concerning the district with the county clerk and recorder, to be recorded as a title document on all the properties within the district. This statement includes the name of the district, the powers of the district as authorized by the district's service plan, current to the time of the filing, and a statement indicating that the district's service plan includes a description of the district's powers and authority, and that a copy of the service plan is available from the county clerk and recorder. It also includes a reference to the Transparency Notice as a source of annually updated information concerning the district's directors, management, meetings, elections and current taxes.



Introduction for Ann Terry

Ms. Terry, a practicing attorney, is the Executive Director for the Special District Association of Colorado, a membership organization with over 1300 members. She has extensive lobbying experience along with 22 years of law practice. Ms. Terry was the Deputy Director of the Colorado District Attorneys' Council from 1995-2004 and worked as the Legislative Liaison for the Colorado Department of Public Safety from 2004-2009. She has also served as a prosecutor in Iowa and Colorado. Ms. Terry has been an adjunct professor for The University of Denver Law School, Buena Vista University, several community colleges in Iowa and taught at the University of Iowa Law School trial advocacy program. She has been active in Colorado legislation and public policy for 17 years. Ms. Terry currently serves on the City and County of Denver Board of Ethics. She was appointed by Mayor Hickenlooper in 2004.

Under her direction, SDA does lobbying, membership training and policy development for special districts. There are over 2,500 special districts in Colorado, which provide government services on the local level in the areas of water and sanitation, fire/rescue and ambulance, parks and recreation, libraries and hospitals, water conservancy, weed control and metropolitan services.

Ms. Terry attended the University of Iowa and Drake University Law School in Des Moines, Iowa. She practiced law in Iowa before moving to Colorado in 1995.



Introduction for J. Evan Goulding

Mr. Goulding was appointed SDA Executive Director in November 1991, where he served until his retirement in 2009. He continues to serve as SDA's lobbyist.

Mr. Goulding is a graduate of Brigham Young University and holds a Juris Doctorate from George Washington University Law School in Washington, D.C.

Prior to joining SDA, Evan served as the Colorado Commissioner of Agriculture; Corporate Secretary and General Counsel for the National Cattleman's Association; City Attorney for Arvada, Colorado; and Deputy District Attorney for Los Angeles County, California.



Introduction for Mary Kay Hogan

Mary Kay Hogan has lobbied the Colorado General Assembly for twelve years. Before beginning her lobbying career, she served as legal counsel to the General Assembly in the non-partisan Office of Legislative Legal Services, where she served on the tax and finance team. In this capacity, Ms. Hogan drafted legislation and legal memoranda for members of the General Assembly. Her issue areas included the School Finance Act and TABOR.

In 1998, Ms. Hogan began lobbying the Colorado General Assembly. Between 1999 and 2006, Ms. Hogan and her colleagues at Aponte and Hogan, Inc. represented a wide variety of clients, including: Altria Corporation, The Children's Hospital of Denver, The Pikes Peak Alliance (a coalition of ten school districts in El Paso County), The Colorado Bar Association, The Colorado Women's Bar Association, Colorado Counties, Inc., The Jefferson County School Administrators Association, Verizon Wireless, the Colorado Nonprofit Association, and the Colorado Automobile Free Trade Association.

In 2006, Ms. Hogan joined Governor Ritter's Administration as his Legislative Director. She was one of the first three senior staff members hired during the gubernatorial transition in November after the election. As the Governor's Legislative Director, Ms. Hogan was primarily responsible for communication between the General Assembly and Governor's office, management of executive agency legislative liaisons, coordination of the Governor's legislative agenda, assisting the Director of the Office of State Planning and Budgeting with Joint Budget Committee negotiations, and processing legislation for the Governor's signature or veto. During this period, Ms. Hogan passed 100% of the Governor's legislative agenda.

Today, Hogan Government Relations helps clients navigate the Colorado state legislative and rule-making process. She collaborates with Lobbyists Ruben and Amber Valdez and the strategic government relations firm, the Kenney Group.

Ms. Hogan holds a B.A. from the University of Arizona and a Juris Doctorate from the University of Denver.

SPECIAL DISTRICT ASSOCIATION OF COLORADO

SDA NEWS

JULY 2012

SUPPORTING COMMUNITY-BASED GOVERNMENT



SDA's Annual Conference

Fire can be a Metaphor
for Today's Challenges

Conference Registration Opens Online in Early July | SDA and the Colorado Special Districts Property and Liability Pool Offering Conference Scholarships
SDA's Leadership Academy Luncheon to Feature Economic Development Expert Tom Clark, and You're Invited!
Grass Fire Too Close for SDA Associate/Briggsdale FPD Board Member! | Pool Board Premier's New Tagline... "We're looking out for you"
COLOTRUST Presents "The Benefits of Short-Term 'Vanilla' Investing" | How Committed Is Your Fund Balance?
When Public Entities Hire | SDA and the CU Buechner Institute Announce the 2012 James T. Walker Leadership Scholarship
The Financial Responsibilities of District Leadership: Webinar on July 11 | Employee Rights Poster Delayed Again



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SDA NEWS

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Megan Lippard
Executive Project Specialist

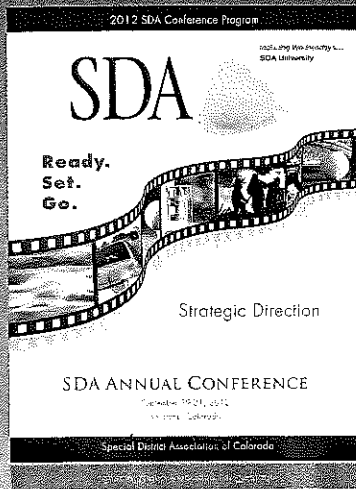
Carlton Mundus
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Georgia Kraemer
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Ready – Set – GO!

SDA's Annual Conference Theme can be a Metaphor for Today's Challenges

How many times have you experienced the adrenaline rush when hearing that phrase? Just to think of all of the anticipation of planning and implementing and then going for the finish line can create a sense of excitement and often times, stress. How will you make it all happen just the way you planned?

The 2012 SDA Annual Conference theme can be a metaphor of both the excitement and the stress that special districts are confronted with in today's challenges of budgeting and providing services while keeping your district running smoothly.

With over 50 breakout sessions and educational programs, SDA's Annual Conference (September 19 – 21) will give participants the opportunity to hear from the experts on some of the most pressing issues facing special districts. Everything from budgeting to how to use social media to inform your constituents—this years' Conference has it all.

May 2012 brought the regular biennial special district elections, and many district boards have new board members who might be wondering, "What's my role on the board"—"What's the manager's role" or most importantly "How can I represent the views of the people who have elected me and still be an effective board member."

The Conference has several sessions devoted to those newly-elected board members as well as the board members who have moved to the next phase of their time on the board who might be interested learning how other districts are addressing the issues their district's face.

As a continuing educational opportunity for board members, management and HR teams and staff's SDA will once again present Wednesday's SDA University, September 19, it will be an intensive one-day program that covers everything from:

- How to Conduct Oneself, Conduct Meetings and Address Public Concerns
- Contracting & Integrated Project Delivery
- Public Relations for Special Districts
- Has your District had a Financial Check Up?
- Steps to Detect and Prevent Fraud in your District
- Open Meetings & Open Records
- TABOR 101
- How to Survive an Audit by the IRS to
- Asset Management: A Simple Approach

SDA University is a wonderful way to receive a wide variety of concentrated information in a comparatively short amount of time, and is always rated highly by the Conference participants.

A preview of the all of the programs and sessions will be available, as well as online Conference registration, and can be found on the SDA website under the Annual Conference tab. Check it out and remember those of you who attended the SDA Workshops can redeem your \$30 discount coupon at the time you register.

We're **Ready, Set...and Going** for more information and exciting programs—hope to see all of you September 19 – 21 in Keystone.

The Colorado Special Districts Property and Liability Pool
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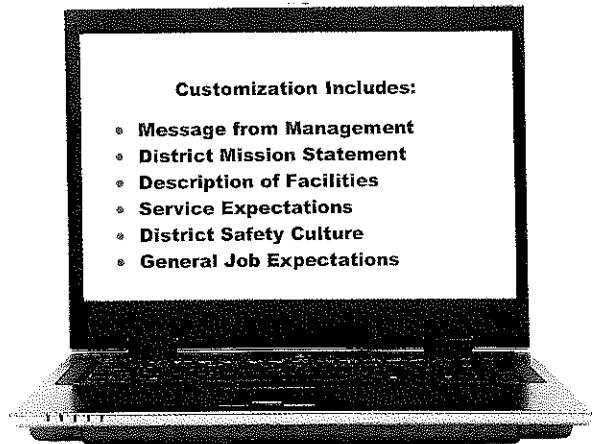


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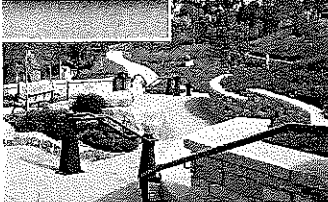

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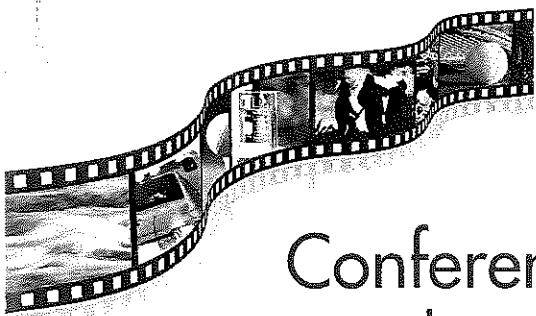



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Conference Registration Opens Online in Early July ...and if you need help, you can join us for a registration webinar!

In early July, you will receive an email signaling that the 2012 SDA Conference Registration is open online.

Here are some helpful hints to speed up the online registration process:

1. Please make sure you have created an account on the SDA website.
2. If you have not previously created a login account, go to www.sdaco.org and click on "Log in" at the top right-hand corner of the home screen. Select "Create new account" and then enter your e-mail address and choose a password.
3. Once you are logged in to the SDA website, click on the "Conference" tab at the top of the screen for Conference registration information.

4. Payment for Conference registration can be made online using a credit card or by check and sent to the SDA office.

If you find the online Conference registration intimidating or confusing, you may want to join in on our helpful webinar with Carlton Mundus.

Carlton will host *Conference Registration 101* on Thursday, July 26 at 10 a.m. During this webinar, Carlton will walk through the registration process, and attendees of the webinar will be able to watch the process on their computer screens. Watch for more webinar registration information in your email and on the SDA website. If you have any questions regarding the registration process, please contact our office at (303) 863-1733.

Hotel Registration Information will also be available on the SDA website at www.sdaco.org.

SDA and the Colorado Special Districts Property and Liability Pool Offering Conference Scholarships

The Boards of the Special District Association and the Colorado Special Districts Property and Liability Pool are committed to providing members with educational opportunities. In fact, they believe that the training offered at the SDA Annual Conference is so important they are willing to award scholarships to encourage new board members and special district management to take part in the SDA Annual Conference, September 19-21 in Keystone, Colorado.

SDA Executive Director, Ann Terry, and CSDP&L Pool Administrator, Joe DePaepe, agree the scholarships are the best way to ensure that new board members and special district management teams are exposed to the resources offered by both organizations.

The CSD Pool and the SDA are once again joining forces in this difficult economic climate to offer thirty (30) \$750 scholarships to the SDA Annual Conference, at a grand total of \$22,500 in awards. These funds are

intended to cover out-of-pocket expenses associated with travel and attendance for the SDA Annual Conference.

If you are interested in learning more about the Conference and the scholarships, please visit either the Pool or SDA's websites at www.csdpool.com/ScholarshipProgram.php or www.sdaco.org/conference-2012.

Individuals interested in the Scholarship Program should fill out the online application on the CSD Pool's website at least 60 days prior to the SDA Annual Conference.

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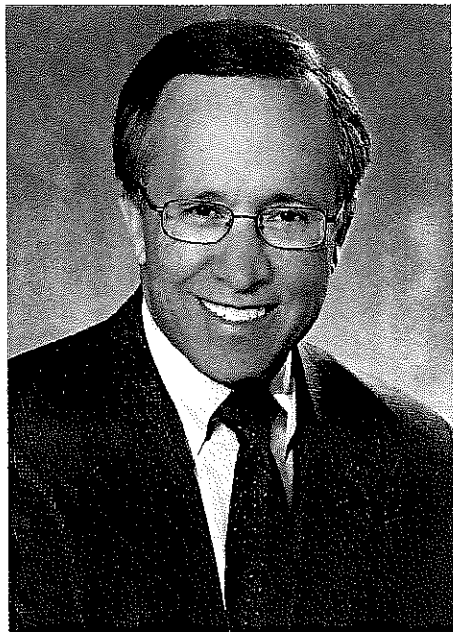
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SDA's Leadership Academy Luncheon to Feature Economic Development Expert Tom Clark, and You're Invited!



Tom Clark

The SDA Board of Directors and the SDA Leadership Fellows are extending a special invitation to the Leadership Academy Luncheon on July 25.

The SDA Leadership Academy programs are usually reserved for the Leadership Fellows only, however, because of our speaker's popularity, we have decided to open this special program up to the first 60 SDA members to register.

Many of you have had the chance to hear Tom Clark speak at SDA's Annual Conferences, and you know that he draws a big crowd with his knowledge and wit. He is well known as an expert in the world

of economic development, who just happens to have the rare gift of making the subject interesting and fun.

Tom's role as a leader in Colorado, along with his position as Senior Vice President of the Denver Metro Chamber of Commerce, has allowed him to be part of the growth and vitality of Colorado. Like it or not, that growth will certainly affect special districts.

Economic Development 101 with an infusion of the 21st Century Leader will be part of the program, along with Tom's forward thinking regarding:

1. A child born today has a reasonable expectation of living to the age of 140 (Source: Watts Wacker, Stanford Research Institute). How will local governments deal with the challenges?
2. Community Leadership models
 - Govern from the center
 - Make 50-100 year decisions
 - Build a "culture of collaboration"
 - Innovate within agreed-upon parameters
 - Leadership "succession planning" ...Is your district's board prepared?
3. Economic Impact and Economic Activity
 - Commonly confused and can lead to really bad public policy decisions

- Example: Colorado Rockies baseball generates approximately \$100 million in revenue from ticket sales alone. What is the economic impact of Rockies' ticket revenues on Metro Denver?
- Well, the economic activity is \$100 million, but what's the economic impact? What data is missing here?

Join us for this thought-provoking program. Registration is easy—go to the SDA website at www.sdaco.org and click on "Events."

When: July 25, at 11:30 a.m.-1:30 p.m.

Where: Prospect Recreation & Park District's Arbor House at Maple Grove Park, 14600 W. 32nd Ave., Golden, CO 80401

Cost: \$35 for SDA Members Only—space is limited to 60, so make your reservations early.

Special thanks to Prospect Recreation & Park District ("PRPD") and SDA Leadership Fellow Mike Hanson. Mike is a member of the SDA Leadership Academy and the Executive Director of Prospect Recreation & Park District. PRPD has offered to host this very special meeting presented by SDA in conjunction with our partner the Buechner Institute for Governance, University of Colorado Denver.

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Grass Fire

Too Close for SDA Associate/Briggsdale FPD Board Member

Editor's note: SDA gratefully acknowledges the selfless work of the many firefighters and emergency medical first responders. We appreciate their efforts, and thought you, our readers, would enjoy this firsthand experience from Emmett Jordan, a rancher, a board member of the Briggsdale Fire Protection District, and coincidentally, the graphic designer who lays out The SDA News.

I was sitting at my desk putting together the June SDA News when I got the phone call—"There's a fire on the east side of the ranch." In turn, I made the call nobody wants to make—911. "What is the nature of your emergency...?"

Rushing to the scene, the wind was blowing, and I could see the fire growing quickly in the dry grass. No structures were nearby, but one oil well and one oil-drilling rig were all too close. Then I started to get an empty feeling knowing that I had nothing more on hand than a shovel with which to fight a growing wildfire.

But then they came. Within minutes of the emergency call, farmers, ranchers, and others from as far away as 40 miles had dropped what they were doing and grabbed their bunker gear. The first firefighter to arrive was in his pickup, radioing information to the others who had gone to the station to get the tanker trucks. Then the first water-bearing vehicle arrived. A father and son team tangled with the wind and smoke in an effort to knock down the flames with the one hose.

The wind shifted, and the fire was growing, first to the east, and then, shifting again, running to the south. Standing in the smoke, I couldn't help but be concerned about how much two men with one tank of water could get done. The nearest water source was a livestock tank a mile away, and maybe 1,200 gallons. There aren't any fire hydrants out on the grasslands!

Then more equipment arrived on scene.

The fire was still growing, and now headed toward the oil well. The fight was on.

In the struggle to put out the fire, I made an effort to shovel hot spots while wondering, "Do they have enough water...do they have the equipment they need...are they safe?" The commitment and dedication of the volunteers was never a question.

Two rural fire departments had responded: the Briggsdale Fire Protection District and the New Raymer-Stoneham Fire Protection District. Fortunately, this fire didn't grow to the proportions that make the news—maybe 150 acres of grass was burned, and no one was injured. The firefighters had won the battle to keep the flames away from the oil wells.

When the fire was out, there was some visiting among the firefighters, who, after all, are friends and neighbors, doing a job they volunteered for out of a sense of community. There was also that call I made to SDA Deputy Executive Director Donna Alengi, "About this afternoon's newsletter deadline..."

Then I extended some heartfelt "Thank you's" and took some good-natured teasing in return—"See you at the next fire board meeting."

This really wasn't how I wanted to start my term on the Briggsdale Fire Board, but so it is. The fire serves as an important reminder. We often say our most precious resource is water, but at the end of the day, community is really our most precious resource, and special districts help us strengthen our communities.

*Thank you Briggsdale Fire Department and
New Raymer-Stoneham Fire Department.
— E. J.*



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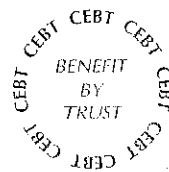
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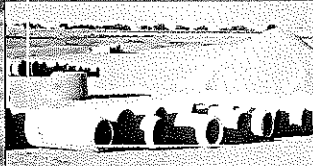
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Pool Board Premiers New Tagline...

"We're looking out for you"



The Colorado Special Districts Property and Liability Pool (the "Pool") Board of Directors adopted a new and important tagline at a recent Planning Meeting: "We're looking out for you."

The tagline was chosen to communicate the Pool's many membership benefits. The Pool was created 25 years ago with the mission to offer competitive low-cost insurance coverage for special district members. Today, the Pool provides:

1. Property – General Liability – Public Officials – Boiler coverage lines
2. Crime/Public Official/Faithful Performance – Cyber Liability – Judi-

ciary Liability – Terrorism – Flood to Property Coverage – No Fault Sewer Backup – Workers' Comp – Liquor Liability – IDR/Theft Coverage (identity theft)

3. Pre-Loss Legal Consultation
4. Loss Control through educational Workshops—Webinars—HR On-line University—FirstNet—Target Solutions—E-Risk Hub
5. Scholarship Programs
6. Loss Control Services and Appraisals
7. A Safety Grant Program and
8. A Boiler Thermograph Heat-sensing Program

"We're looking out for you' is more than just a tagline; it is the reason that the Pool has grown to over 1,200 members," says Pool Administrator Joe DePaepe. "The financial strength of the Pool is \$18 million in reserves to cover claims and provide service to SDA/Pool members. We do so with the knowledge that the

nonprofit model makes a different attitude. There are no profit drains—just professional expertise, and flexible, personal customer service," said DePaepe.

The Pool Board of Directors is made up of the following members:

Stan Gengler

Estes Valley Recreation & Park District

James Heckman

Fountain Sanitation District

Larry Moore

Roxborough Water & Sanitation District

James Borland

Fort Collins-Loveland Water District

Leo Johnson

Southwest Suburban Denver Water and Sanitation District

Ann Peppin

Parker Water & Sanitation District

Charles Dwyer

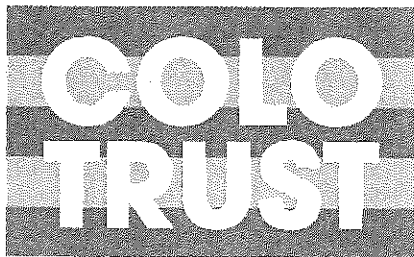
Bear Creek Water & Sanitation District

Dave Lorenz

South Suburban Park & Recreation District

COLOTRUST Presents

"The Benefits of Short-Term 'Vanilla' Investing"



Join us for the July 18 SDA Lunch and Learn with the COLOTRUST team as Portfolio Manager Randy Palomba discusses the different strategies implemented to ensure that Colorado Special District funds remain safe and liquid during these uncharted economic times.

Mr. Palomba has been the COLOTRUST Portfolio Manager for nearly

20 years, and he is looking forward to meeting with the SDA participants for this informal, yet information-packed luncheon. Remember, space is limited so sign up today.

Cost: \$25 (includes lunch)
Time: 11:45 – 1:15 p.m.
Where: SDA Conference Room
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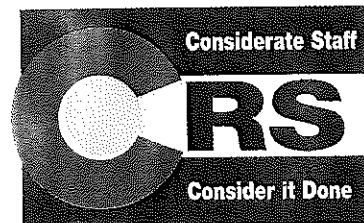
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Congratulations To:



Our Prospect Recreation & Park Board Treasurer, Bill Farrell, on receiving the 2009 Distinguished Board Member Award!



Our Senior Manager, Cathy Noon, on being elected the new Mayor of the City of Centennial!

Welcome To Our Newest Team Member:



Carolyn Bott joins CRS with over 20 years of local government administrative experience.



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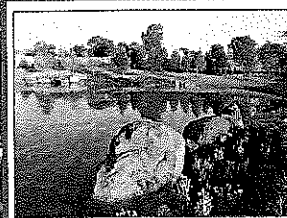


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How Committed Is Your Fund Balance?

Guest article by Kevin Collins, Partner, CliftonLarsonAllen LLP

As of December 31, 2011, Governmental Accounting Standards Board (GASB) Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* was in effect for special districts. GASB 54 addresses fund balance presentation within the governmental fund financial statements, however, it does not impact government-wide financial statements or stand-alone enterprise fund financial reporting. The most common type of enterprise reporting is water and/or sanitation districts. The measurement and analysis per GASB 54 will generally only occur at year end.

Prior to GASB 54, the governmental fund balances could be segregated into three components: Reserved, Unreserved—Designated, and Unreserved—Undesignated. The prior reporting did not address how and when a designation could be used or who could establish a designation. GASB 54 has identified five categories of fund balances, addressing by whom or why the classification exists. The five categories are as follows: Nonspendable, Restricted, Committed, Assigned, and Unassigned.

Nonspendable is the portion of a fund balance that is not supported by cash; this includes assets such as prepaid insurance and inventories. Additionally, cash which cannot be spent, such as the principal portion of an endowment (i.e., a cemetery perpetual care balance), is also included in this category.

Restricted is essentially the same as reserved. There is generally an outside influence which causes the restriction. Examples include bondholders' rights created by an indenture—reserve funds, surplus funds, etc. Additionally, fund balances may be classified as Restricted according to a constitutional provision such as the Emergency Reserve requirements of Colorado's TABOR Amendment as well as Conservation Trust Funds (CTF) which restrict the expenditure of CTF proceeds to park and recreation purposes as defined by state statutes.

Committed fund balance occurs when the district's board of directors takes a formal action such as adopting a resolution or entering into a contract. This can often apply to capital or impact fees, which place limita-

tions on how the proceeds of the revenue generated may be spent. At year end, the unspent portion of the generated revenue would be considered a Committed fund balance. Additionally, budgetary or economic stabilization reserves created by board resolution are also considered a Committed fund balance. When a district enters into a construction contract, it has committed that it has the ability to pay the contract. As a result, at year end, any unexpended portion of a construction contract would be considered a Committed fund balance.

Assigned fund balance generally occurs through the budget process for a special district. Based upon the district's intended plans for the future, assignments can change from one year to another. For instance, new board members may oppose projects that had generally been supported in the past, which could impact current year expenditures and future years' budgets.

Unassigned fund balance is the residual portion of fund balance that does not meet any of the criteria described above. Only the General Fund can report an Unassigned fund balance. Special Revenue Fund and Debt Service Fund residual balances will generally be Restricted or Committed. A Capital Projects Fund residual balance can be Restricted, Committed or Assigned, depending upon the revenue source which created the fund balance.

Unassigned fund balance can be negative. A negative Unassigned fund balance occurs when the Nonspendable, Restricted and Committed portions of the fund balance exceed the total fund balance. Assignments of fund balance cannot cause

the Unassigned fund balance to be negative. The assignment needs to be reduced to the amount of available fund balance.

It is important to note that not every district will have all five categories, most will probably have Restricted for TABOR emergency reserves and Unassigned. It is a good practice to establish and maintain supporting documentations for funds that are being Restricted (e.g., contracts), Committed (e.g., bond resolution) and Assigned (e.g., budget document).

In order to address GASB 54, districts should adopt an accounting policy addressing the potential spend down of fund balances, which could be as follows: If more than one classification of fund balance is available for use when an expenditure is incurred, it is the district's policy to use the most restrictive classification first.

The disclosure of the five components can be presented within the fund balance section of the balance sheet—governmental funds or within the footnotes. Depending upon space available on the balance sheet, most districts are presenting the five categories with footnote disclosure explaining the purposes of such categories and additional disclosure if there are more than two uses per category.

Finally, GASB 54 also addressed items associated with Special Revenue Fund and Capital Projects Fund. The basic clarification regarding the use of a Special Revenue Fund is that if there is a limitation on a specific revenue source which causes an expenditure of that resource to be restricted or committed for a specific purpose, then that limitation should be external to the district. An example of an allowable Special Revenue Fund would be a Conservation Trust Fund. The concept of when to use a Capital Projects Fund was expanded to match the current practice of accounting for the acquisition of equipment such as fire trucks, ambulances, etc. within a Capital Projects Fund. Prior guidelines limited the use of a Capital Projects Fund to construction or acquisition of public infrastructure.

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When Public Entities Hire

The rules are a little different when a Colorado special district searches to hire an employee than when the same job applicant looks at a private-sector employer. And there are even more hoops to jump through when the job opening is for the district's top-level manager ("CEO"). This is due to the requirements and limitations of the Colorado Sunshine (Open Meetings) Law (the "OML") and the Colorado Open Records Act ("CORA").

For example, most job applicants wouldn't expect that their application form and job interview may be open to the public. However, CORA provides that the employment applications of past or current employees of governmental entities, including special districts, are open to public inspection. In addition, the "personnel matters" rationale for calling an executive session doesn't really extend to board meetings at which discussions or interviews occur concerning persons who are not current *employees* of the District.

So, just what job application documents are considered "public records" and what may remain private/confidential? Which aspects of a hiring interview and selection discussion are public and which may occur behind closed doors?

Open Records

First, let's discuss the open records considerations. "Public records" are de-

fined as all writings (which includes papers, photos, cards, and a host of other documentary materials) which are made, maintained or kept by a public entity for use in the exercise of functions required or authorized by law or involving the receipt or expenditure of public funds.¹ Simply put, if it's a record that you made in connection with the district's business, chances are it's a public record—with some predictable, common-sense exceptions for certain potentially "sensitive" material.

Here is a list of some basic records in the employment arena and their public/private status:

Not open to public inspection—mandatory denial of inspection

- A person's home address;
- A person's telephone number;
- A person's financial info;
- A person's Social Security Number;
- Medical, mental health, sociological, and scholastic achievement data on individual persons;
- Letters of reference;
- Records submitted by or on behalf of an applicant or candidate for the CEO position who does not make it to "finalist;" and

- Other information maintained because of the employer-employee relationship.

Potential denial of inspection—custodian of records may deny inspection on the grounds that disclosure would be contrary to the public interest, but requestor may successfully assert right to inspect:

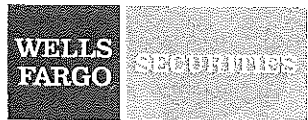
- Examinations for employment, including test questions and scoring keys;
- E-mail address provided by a person to the district for purposes of future electronic communications to the person from the district;

Public records—open to inspection by the public:

- Applications of past or current employees;²
- Employment agreements/contracts;
- Employee performance ratings (numeric evaluation/test scores, but not evaluation comments);
- Compensation/salary, including expense allowances and employee benefits;
- Amounts paid or benefits provided incident to termination of employ-

¹ See Section 24-72-202(6), C.R.S.

² Applications of persons not hired are not public records.



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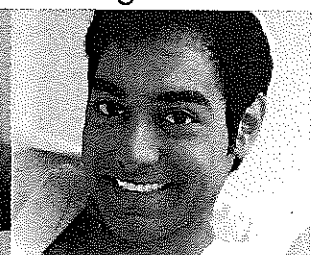
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- ment (severance package);
- List of names of “finalists” for CEO position; and
- Records submitted by “finalists” for CEO position (but not including their medical, mental health, sociological, or scholastic achievement data);

“Finalists” for the CEO position are members of the final group of applicants or candidates, provided if only three or fewer applicants or candidates possess the minimum qualifications for the position, then all of them (one, two, or three) will be considered as “finalists.” Furthermore, no job offer can be made until at least 14 days after the list of finalists has been made public. Consider this as a two-week waiting period for any potential skeletons hidden in the candidate’s closet to come out. Note, there is no statutory requirement that the list of finalists be *published* in the newspaper, although many districts do choose to publish the list as a way of making the names public.

Open Meetings

The Open Meetings Law requires that gatherings of the district board, convened to discuss public business, at which a quorum or three (whichever is fewer) of the board members are present must be open to the public, with advance public notice. Realizing that full public access may not be in the best public interest in certain identifiable situations, the General Assembly made allowances for “executive sessions” behind closed doors. Interviewing job candidates is not, however, one of those situations requiring confidentiality.

The OML clearly provides that working out the details of an employment opening (such as establishing job search goals, writing the job description, setting application deadlines, determining requirements for applicants, and establishing selection proce-

dures) should take place in an open meeting. Likewise, the discussion of personnel policies that do not require the discussion of matters personal to particular employees do not qualify for an executive session.

The OML allows for the public body to meet in an executive session that is not open to the public to discuss “personnel matters,” but this personnel matters exception does not extend to job applicants or others who do not have the status of a district employee.

Best practices would seem to indicate that a district’s board of directors would not be involved in interviewing or deciding whether to hire district staff. In most cases, staffing decisions should be delegated by the board to the CEO, Fire Chief, or District Manager. The Open Meetings Law does not apply to district staff meetings where a quorum of the board is not present. Therefore, when the district board does not participate in routine staffing decisions, interviews and other employment-related discussions do not need to be open to the public.

The board is responsible for hiring the CEO, if any. Meetings to interview CEO candidates or to discuss candidate qualifications which include a quorum of the board or three board members, whichever is fewer, meet the threshold for a public meeting.

While the personnel matters justification for an executive session may not be applicable, there may be certain aspects of the process of selecting a CEO that may warrant an executive session, for example:

- Conferences with the district’s attorney to receive legal advice on a specific legal questions;
- Determining positions relative to matters that may be subject to negotiations, or developing strategy for negotiation; or
- Consideration of documents that are protected by the mandatory nondis-

closure provisions of CORA, except for work product documents.

Reporting New Hires³

Employers (specifically including governmental entities) are required by State⁴ and Federal law to report all newly-hired employees to the Colorado State Directory of New Hires (“SDNH”). Any employer who provides W-2 forms to employees must also comply with the new hire reporting requirements. This requirement applies to any employee hired to work more than 30 days. The new hire must be reported either (i) within 20 calendar days of the date of hire, or (ii) by the first regularly-scheduled payroll following the date of hire, if such payroll is after the expiration of the 20-day period.

The report contains various information about both the employee and the employer. The requested data may be submitted online (at www.newhire.state.co.us), or by faxing or mailing a W-4 or equivalent form to the SDNH. The purpose of this program is to track employees for both child support obligations and public assistance purposes, such as Medicaid, food stamps and unemployment.

Conclusion

To persons unfamiliar with working in the public sector, some of these requirements and limitations may seem to like an invasion of privacy. But perhaps it makes more sense when you look at it from the perspective that tax dollars pay the salaries of district employees, so taxpayers have an interest in knowing that well-qualified persons are being chosen for positions at the district and are being paid appropriately.

³ This reporting requirement is not unique to hiring by public sector employers, but it is included in this article because some district employers may not be familiar with it.

⁴ See section 26-13-125, C.R.S.

SDA and the CU Buechner Institute Announce the 2012 James T. Walker Leadership Scholarship

As a tribute to longtime SDA Board Member Jim Walker's leadership and dedication to special districts the Special District Association will present the **2012 James T. Walker Leadership Scholarship** at the SDA University Luncheon on Wednesday, September 19 in Keystone, Colorado featuring Leadership Expert and Extreme TV star Jeff Evans. The scholarship will be presented in conjunction with the SDA Leadership Academy and the CU Buechner Institute to further the effort of bringing new leaders into the special district community.

The \$500 scholarship will be matched

with a complimentary SDA Annual Conference registration provided by SDA for the three-day educational event.

SDA Board President Pat Mulhern said, "Jim was a founding member of SDA, this scholarship will honor his memory and continue his legacy. Thanks to the support of Jim's family and his special district friends we are able to present this scholarship to a deserving SDA member."

If you are interested in applying for the scholarship, please visit the SDA website at www.sdaco.org. and click on SDA Conference tab.

The Financial Responsibilities of District Leadership: Webinar on July 11

Christina Griggs of Gemsbok Consulting, Inc. will be presenting a webinar hosted by SDA on July 11 from 10:00-11:00 a.m. about the financial responsibilities of district board members and top management.

Key topics to be covered include:

- a. "Fiduciary Responsibility"—what does it mean, how to apply it to your district, and what you need to uphold your duty successfully.
- b. What you should know about your district.
- c. Tools that board members and district leaders can use to show fiscal responsibility.
- d. Budgeting techniques and the questions you should be asking during the budgeting process.
- e. Monthly reporting techniques and ideas, and what to look for in the sea of numbers.
- f. The most important areas of your audit. And,
- g. Key financial metrics that board members should know.

You don't need a degree in accounting to understand the district's financial condition, but, as fiduciaries of the district's assets, you do need to know what to look for and how to evaluate such information.

Please join us for this wonderful training opportunity by registering online at www.sdaco.org/events.

Employee Rights Poster Delayed Again

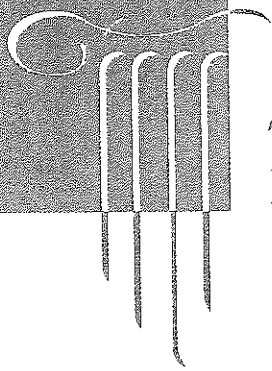
The DC Circuit Court of Appeals has temporarily enjoined the National Labor Relations Board's ("NLRB") rule requiring the posting of employee rights under the National Labor Relations Act. The rule, which had been scheduled to take effect on April 30, 2012 will not take effect until conflicting legal decisions at the district court level are resolved.

In March, the D.C. District Court found that the NLRB had the authority to issue the rule, but in April, the South Carolina District Court held that the NLRB lacked authority to promulgate the rule. The NLRB disagrees with and plans to appeal the South Carolina decision, and also plans to appeal portions of the D.C. District Court decision that raised questions about the rule's enforcement mechanisms.

In light of the strong interest in the uniform implementation and administration of agency rules, the NLRB regional offices will not implement the rule pending the resolution of the issues before the court. NLRB Chairman Mark Gaston Pearce said of the recent decisions, "We continue to believe that requiring employers to post this notice is well within the Board's authority, and that it provides a genuine service to employees who may not otherwise know their rights under our law."

The SDA News first reported on the provisions of this proposed rule and its effect in the December 2011 issue. At that time, the implementation date was set for January 31, 2012. In the February 2012 issue of *The SDA News*, we updated members that enforcement was being postponed to April 30, 2012. Now, we are informing you that no new deadline for the posting requirement has been set.

(These repeated delays for the NLRB should bring back fond memories for anyone who remembers the Federal Trade Commission's Red Flags Rule fiasco from 2008-2010!)



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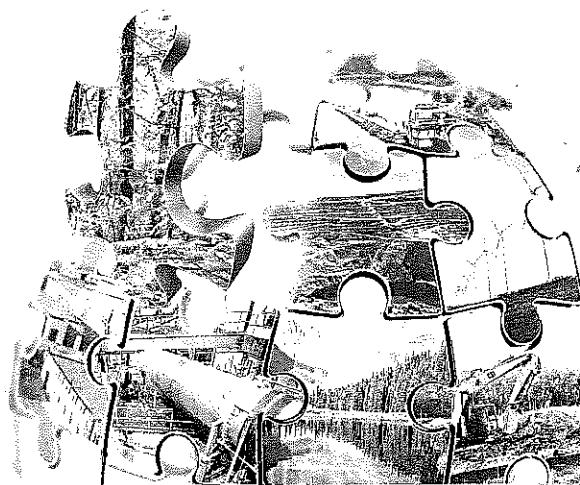
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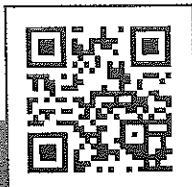
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